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TO: Members of the House Workforce and Talent Development Committee
FR: Dawn Crandall, Home Builders Association of Michigan
DT: February, 5, 2015
RE: Economic Impact of New Housing Construction on Michigan's Economy

In order to be respectful of time, I am providing the economic impact information I had in my testimony in written form.

In 2005, the HBA of Michigan contracted with our National Association of Home Builders to conduct an economic impact study on what the construction of new homes contribute to the state of Michigan – both economically and in job creation.

In 2005, there were 54,721 single family homes built in Michigan. Those builds had a significant positive impact on the state's economy. They provided \$9.9 billion in income, \$3.3 billion in revenue for state and local governments and those projects created 153,541 jobs. And then we began entry into the lost decade.

In 2007, there were 15,000 single family homes built in Michigan. The impact on the state's economy was not as positive. They provided \$2.3 billion in income, \$786 million in revenue to the state and local governments and created 30,902 jobs.

That decline took its toll on our industry. Between 2000 and 2007, the construction industry saw a jobs drop by 20%. From 2007 and 2009, we lost an addition 23% of our labor force. And in that, we are seeing a labor shortage. Literally, when the housing industry went south, so did many of our members.

We always hear how the home building industry is the first to be hit and the last to recover from a recession, while we are seeing building permits and housing values on the rise, our industry is just beginning to exit the recession.